

Message Text

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ACTION EB-03

INFO OCT-01 AF-04 ARA-06 EUR-08 EA-07 NEA-06 ISO-00 SSO-00

NSCE-00 SAM-01 SS-14 NSC-05 INR-05 L-01 SP-02 RSC-01

AS-01 /065 W

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O R 261252Z OCT 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 3617

INFO AMEMBASSY MOSCOW IMMEDIATE

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY OTTAWA

AMEMBASSY OSLO

AMEMBASSY BRASILIA

AMEMBASSY NEW DELHI

AMEMBASSY KINSHASA

AMEMBASSY JIDDA

AMEMBASSY TEHRAN

AMEMBASSY CARACAS

USINT ALGIERS

USMISSION OECD PARIS

C O N F I D E N T I A L SECTION 01 OF 03 PARIS 25419

MOSCOW FOR THE SECRETARY

LIMDIS

E.O. 11652: GDS

TAGS: ENRG FR PFOR

SUBJ: FRANCE INVITES US TO PREPARATORY MEETING OF

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PETROLEUM PRODUCERS AND CONSUMERS.

1. IN HIS OCTOBER 24 PRESS CONFERENCE PRESIDENT GISCARD SAID GOF PLANNED TO CONTACT CONSUMER AND PRODUCER GOVERNMENTS AT ONCE TO SEE WHETHER A PRODUCER-CONSUMER CONFERENCE COULD BE ORGANIZED EARLY NEXT YEAR. ON EVENING OF OCTOBER 25 BRUNET, DIRECTOR OF ECONOMIC AFFAIRS, MFA, CALLED IN CHARGE AND ECONMIN PURSUANT TO GISCARD STATEMENT TO INVITE US TO PARTICIPATE IN PREPARATORY MEETING.

2. BRUNET SAID FONMIN SAUVAGNARGUES HAD CABLED SECRETARY KISSINGER IN MOSCOW 24 HOURS BEFORE GISCARD SPEECH INFORMING HIM OF GISCARD'S INTENTION TO PROPOSE PRODUCER-CONSUMER CONFERENCE. HOWEVER, HE HAD GIVEN NO DETAILS. IN NOW FURNISHING DETAILS, BRUNET EXPLAINED THAT GOF WAS TAKING UP YAMANI'S PROPOSAL FOR A MEETING OF A LIMITED NUMBER OF PRODUCERS AND CONSUMERS, A PROPOSAL WHICH HE UNDERSTOOD THE US HAD NOT FOUND

UNREASONABLE. YAMANI'S IDEA WAS THAT SUCH A LIMITED MEETING, WITHOUT FANFARE, WOULD BE MUCH MORE PRODUCTIVE THAN A FULL-SCALE CONFERENCE OF PRODUCERS AND CONSUMERS.

3. BRUNET SAID GOF BELIEVED THAT PREPARATORY MEETING WAS NEEDED TO ORGANIZE THE CONFERENCE WHICH GISCARD HAD PROPOSED FOR EARLY NEXT YEAR. CONSEQUENTLY THEY HAD DECIDED TO INVITE OFFICIALS OF RICH CONSUMERS, POOR CONSUMERS AND PRODUCERS TO PARTICIPATE IN A PREPARATORY MEETING IN PARIS NEXT MONTH. BRUNET SAID A DATE HAD NOT YET BEEN CHOSEN--THIS WOULD HAVE TO BE AGREED UPON WITH THE PARTICIPANTS--BUT THE FRENCH WERE THINKING IN TERMS OF THE THIRD WEEK IN NOVEMBER. THE LEVEL WOULD BE, TO TAKE THE US AND FRANCE AS EXAMPLES, AT THAT OF BRUNET-ENDERS.

4. WITH A RESTRICTED MEETING LIKE THIS, BRUNET CONTINUED, THE PROBLEM OF CHOOSING PARTICIPANTS WAS OBVIOUSLY DIFFICULT. THE GOF HAD DECIDED TO FOLLOW

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YAMANI'S SUGGESTION AND PROPOSED INVITING THE EC, THE US AND JAPAN TO REPRESENT RICH CONSUMERS; SAUDI ARABIA, IRAN, VENEZUELA AND ALGERIA (THE LATTER BECAUSE ITS POLITICAL INFLUENCE WAS OUT OF ALL PROPORTION TO ITS IMPORTANCE AS A PRODUCER) TO REPRESENT THE PRODUCERS; AND THE LARGEST COUNTRY FROM EACH OF THE "DEVELOPING CONTINENTS", NAMELY BRAZIL, INDIA, AND ZAIRE, TO REPRESENT POOR CONSUMERS.

5. BRUNET SAID THE EC PRESENTED PARTICULARLY DIFFICULT PROBLEMS. IT WAS OBVIOUS ONE COULDN'T INVITE ALL NINE EC GOVERNMENTS TO A RESTRICTED CONFERENCE. SO GOF HAD DECIDED TO FOLLOW THE FORMULA USED IN GATT NEGOTIATIONS AND INVITE THE COMMISSION IN THE PERSON OF SIMMONET TO REPRESENT THE EC WITH REPRESENTATIVES OF THE EIGHT PRINCIPLE EC GOVERNMENTS TO SIT BEHIND SIMMONET AS EXPERTS.

6. ALTHOUGH HE ENVISAGED MEETING WOULD BE PRIMARILY PROCEDURAL, BRUNET BELIEVED IT WOULD ALSO PROVIDE AN

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SSO-00 NSCE-00 SAM-01 NSC-05 INR-05 L-01 SP-02 RSC-01

AS-01 /065 W

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O R 261252Z OCT 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 3618

INFO AMEMBASSY MOSCOW IMMEDIATE

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C O N F I D E N T I A L SECTION 02 OF 03 PARIS 25419

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OPPORTUNITY FOR A PRELIMINARY EXCHANGE OF VIEWS ON
SUBSTANTIVE QUESTIONS AND, WITHOUT INITIATING REAL
NEGOTIATIONS, ALLOW PARTICIPANTS TO "BLOW OFF STEAM".

7. BRUNET SAID GOF HAD ALSO BEEN GIVING SOME THOUGHT
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TO THE QUESTION OF WHAT COUNTRIES SHOULD BE INVITED
TO THE CONFERENCE ITSELF. IDEALLY, HE THOUGHT IT
SHOULD BE THE SAME GROUP OF COUNTRIES WHICH WOULD BE
INVITED TO THE PREPARATORY MEETING. HOWEVER, GOF DID
NOT WANT TO IMPOSE ITS VIEWS ON THE OTHERS. CONSE-
QUENTLY, IT PROPOSED LEAVING THIS DECISION TO THE
MULTI-LATERAL ORGANIZATIONS REPRESENTING THE THREE
GROUPS--OPEC FOR THE PRODUCERS, OECD FOR THE RICH
CONSUMERS, AND THE GROUP OF 77 LESS THE OPEC COUNTRIES,
FOR THE POOR CONSUMERS.

8. BRUNET RECOGNIZED POSSIBILITY THAT THE PRODUCERS
WOULD RESENT THE IDEA OF ASKING THE POOR CONSUMERS,
CONSIDERING THIS A PARTICULARLY INGENIOUS FORM OF
GANGING UP ON THE PRODUCERS. HOWEVER, THE GOF BELIEVED

THERE WAS A REAL NEED TO FOCUS ON THE PROBLEMS OF THE
THIRD WORLD AND HE THOUGHT THERE WOULD BE NO REAL
DIFFICULTY IN OVERCOMING ANY OPEC RESERVATIONS ON
THIS SCORE.

9. BRUNET SAID HE WAS FAMILIAR WITH THE US POSITION
THAT THE TIME WAS NOT RIPE FOR A PRODUCER-CONSUMER
MEETING AND THAT THE CONSUMERS HAD TO GET THEMSELVES
ORGANIZED BEFORE A MEETING WITH PRODUCERS WOULD BE
PRODUCTIVE. HOWEVER, THE GOF BELIEVED THERE WERE
ADVANTAGES IN PROPOSING A MEETING NOW. THE TEMPERATURE
BETWEEN PRODUCERS AND CONSUMERS WAS QUITE HIGH AT THE
PRESENT TIME. A MEETING WOULD HELP COOL THINGS DOWN.
ON THE OTHER HAND, THE FRENCH CERTAINLY DID NOT WANT
THE CONSUMERS TO GO INTO SUCH A MEETING IN A STATE OF
DISARRAY. HOWEVER, THE FACT THAT THE CONFERENCE WAS
PROPOSED FOR EARLY NEXT YEAR GAVE US TWO OR THREE
MONTHS IN WHICH TO COMPLETE THE CONCERTATION OF

CONSUMER POSITIONS. HE ADDED THAT EVEN THOUGH THE GOF
HAD DECIDED NOT TO PARTICIPATE IN THE IEP HE SAW NO

CONFLICT BETWEEN THE IEP AND THE PROPOSED CONFERENCE OF
PRODUCERS AND CONSUMERS. ON THE CONTRARY, HE BELIEVED
THE TWO THINGS COULD CO-EXIST "PEACEFULLY, EVEN
USEFULLY".

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10. WE ASKED BRUNET HOW MANY OTHER GOVERNMENTS THE
GOF HAD APPROACHED. HE SAID SO FAR ONLY THE JAPANESE.
WE ALSO ASKED WHETHER THE GOF HAD HAD ANY
REACTION TO GISCARD'S PROPOSAL FROM ITS' EC PARTNERS.
HE SAID THE ONLY OFFICIAL REACTION HAD BEEN THE STATE-
MENT OF THE FRG SPOKESMAN EXPRESSING SUPPORT.

11. IN CONCLUSION, BRUNET EXPRESSED THE HOPE THAT
THE US RESPONSE TO THE FRENCH INVITATION WOULD BE
PROMPT AND FAVORABLE. THE GOF WOULD BE GREATLY
DISAPPOINTED IF WE REJECTED THE INVITATION.

12. THE CHARGE TOLD BRUNET THAT WE WOULD TRANSMIT
THE INVITATION TO WASHINGTON AND LET HIM KNOW THE REPLY
AS SOON AS POSSIBLE.

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13. COMMENT: GIVEN OUR CONCERN THAT CONSUMER COOPERATION BE FIRMLY ESTABLISHED BEFORE A CONSUMER-PRODUCER DIALOGUE IS UNDERTAKEN, WE DO NOT EXPECT THE FRENCH PROPOSAL TO EXCITE MUCH ENTHUSIASM IN WASHINGTON. THE EMBASSY IS NOT IN A POSITION TO JUDGE WHETHER OUR
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LARGER INTERESTS WOULD BE BETTER SERVED BY ACCEPTING OR REJECTING THE FRENCH INVITATION. HOWEVER, IT MUST BE BORNE IN MIND THAT GISCARD ATTACHES CONSIDERABLE IMPORTANCE TO THIS INITIATIVE. IN OUR VIEW, IT IS DESIGNED NOT TO EMBARRASS THE US BUT TO SERVE WHAT GISCARD PERCEIVES TO BE IMPORTANT CONSUMER, AND INDEED FRENCH INTERESTS. IF IT SHOULD BECOME APPARENT THAT THE US WAS TRYING TO KILL THE INITIATIVE, THIS WOULD CAUSE A SERIOUS SETBACK TO OUR AND GISCARD'S EFFORTS TO BRING ABOUT AN IMPROVEMENT IN FRANCE/AMERICAN RELATIONS AND WOULD PROBABLY KILL WHATEVER HOPE THERE IS FOR FRANCE EVENTUALLY COMING INTO THE IEP. CONSEQUENTLY, WE RECOMMEND THAT, IF WE DECIDE WE CANNOT ACCEPT THE FRENCH INVITATION, WE ADOPT A NEUTRAL ATTITUDE TOWARD IT WITH OTHER GOVERNMENTS AND ALLOW THE MATTER TO BE

DECIDED ON ITS MERITS BY THE OTHER INVITED GOVERNMENTS,

PARTICULARLY THOSE IN THE EC.
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